

NORTHERN MICHIGAN CHAMBER
ALLIANCE
ALPENA • BENZIE • CADILLAC • CHARLEVOIX • GAYLORD
PETOSKEY • TRAVERSE CITY • MARQUETTE COUNTY

To the Honorable Member of the Legislature:

The Northern Michigan Chamber Alliance and our member businesses face one common challenge, and that's the rising cost of health care. This issue affects all of us, our bottom lines, our ability to continue providing coverage for our employees and our ability to compete and grow. We strongly believe that Governor Rick Snyder's proposal to modernize Michigan's health insurance system will help rein in these high health care costs, by increasing competition and giving businesses and our families more choices.

Like the Governor, we believe that a level playing field where all insurers play the same rules, in this case the Michigan Insurance Code, is an essential first step toward achieving the goal of holding high costs in check.

For this reason, we urge you to approve legislation before you that will help small businesses, our employees and our community.

Senate Bills 1293 and 1294 have already passed the Senate. To give businesses more certainty to plan ahead, we urge you to pass these reforms without further delay and give businesses and the stability in knowing what their health insurance future will look like.

Small businesses in our community and across Michigan are concerned that healthcare premiums will go up each time they renew. This situation is made worse by the fact that Michigan has two sets of rules for health insurers, with Blue Cross Blue Shield of Michigan being forced to follow a 32-year-old set of regulations that unfairly impacts the rate-setting process.

We also support restructuring the so-called Medigap subsidy that costs small businesses and individuals more than \$200 million a year. Our hope is that we can eventually end the "tax" that small business and individual customers who carry Blue Cross Blue Shield of Michigan pay to subsidize other lines of insurance coverage, notably Medigap.

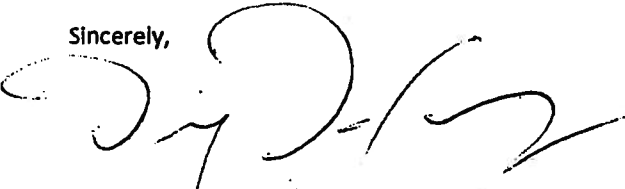
We also support proposals requiring BCBSM to contribute \$1.5 billion to a new nonprofit entity that will help expand access to quality health care in local communities. We believe this is an appropriate amount. Insurance Commissioner Kevin Clinton and many businesses across the state have raised a note of caution that we remain vigilant in ensuring that any changes to the amount of this contribution not raise rates.

We respectfully urge you to approve proposals based on Gov. Snyder's call to modernize our health insurance and help small businesses succeed.

The Northern Michigan Regional Chamber Alliance is a partnership of eight chambers and economic development organizations across northern Michigan, created to advocate legislatively on behalf of our combined 6,500-member job providers in the region. Our interests are consistent across the region, from tax policy and creating a business friendly regulatory environment, to tourism promotion and education excellence.

Thank you for your consideration and work on behalf of the citizens of Michigan. If you or your staff would like to discuss this issue, I can be contacted at deyoung@tcchamber.org or 231-995-7109.

Sincerely,



Doug DeYoung, Vice President of Government Relations and Business Advocacy
Northern Michigan Regional Chamber Alliance